Getting Connected Workshop

Contract Tracking and Management

Welcome

- **Introductions**
- **Is there any specific thing you are looking for out of today's meeting, or would like to hear about?**

Agenda

- **Background**
- **Terms and Definitions**
- **Important Roles**
- **Elements of Contract Tracking and Mgmt**
- **Checklists and Review Criteria**
- **Other Tips**

Background

- **What is Contract Tracking and Management?**
  - **Ensuring the contractor adheres to the provisions of the contract and provides the contractually described products and services to the project on time and on budget**
  - **Ensuring appropriate and adequate documentation of contractor performance and oversight exists**
  - **Contract Tracking and Management begins after a contract has been awarded**
    - **Solicitation and its procedures are outside the scope of this discussion**
- **Remember: a good contract includes provisions for tracking the performance of the contract!!**

Background

- **Handout shows overview of contracting process**
  - Compatible with Project Management Institute's (PMI) guidelines
- **Process is essentially the same for both the prime contractor and consultant staff**
- **Process should be documented in a Contract Management Plan**
- **Process and tracking measures are listed on the BPweb**

Terms and Definitions

- **Amendment**
  - A change to the contract terms
- **Statement of Work (SOW)**
  - Document which describes the desired services/products for the contract
  - Is an attachment to the contract
- **Work Authorization**
  - Signed contractual agreement to proceed with activities in a work order
- **Work Order**
  - Description of additional work or a clarification of work to be performed which is still within the scope of the contract

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Important Roles

- **Contract Manager**
- **Functional Manager**
- **Deliverable Monitor**
- **Fiscal Analyst**
- **Deliverable/Technical Review Staff**
- **Legal Staff**
- **Project Manager**

Contract Manager

- **Performs administrative and contractual oversight of contractor(s)**
  - **Responsible for overseeing contract performance and compliance with contract terms**
  - **Ensures schedules, budgets, performance and products are consistent with the contract**
- **Coordinates arrival and orientation of contractor staff**
- **Reviews and audits invoices**
- **Prepares contract amendments and work orders, as needed**
- **Performs contractor evaluation at end of contract**

Functional Manager

- **Oversees, manages or directs contractor in their duties**
  - **Monitors contractor schedule**
- **Provides direct feedback to contractor**
- **Coordinates review of deliverables and consolidates feedback**
- **Reviews invoices to ensure the work billed on invoices was performed in accordance with the contract**
- **Assists Contract Manager with contract amendments and work orders**

Deliverable Monitor

- **Receives, logs and distributes deliverables and correspondence received from contractor**
- **Tracks deliverables through the review process**
- **Coordinates notification and resolution of deliverable deficiencies**
- **Ensures copies of all deliverables and deliverable review documentation are stored in the project library**
  - **Preferably paper and electronic copies**

Deliverable Monitor

- **Coordinates federal comments and approval for deliverables, as appropriate**
- **Works with Configuration Manager to ensure appropriate versions of documentation and products are retained**
- **Assists Contract Manager with contract tracking, including updating contract tracking database/tool**
- **Assists Contract Manager with preparation of amendments and work orders (as it related to deliverables)**

Fiscal Analyst

- **Coordinates review of contractor invoices and any disputes**
- **Ensures sufficient funds are available for the contract**
- **Tracks contract expenditures and travel expenses against the contract budget**
- **Works with Contract Manager to verify available funding for contract amendments and work orders**

Deliverable/Technical Reviewers

- **Participates in reviews of deliverables and provides comments back to the Functional Manager**
- **Review staff will vary depending on type of deliverable**
  - **May include project staff, quality assurance, Independent Verification and Validation (IV&V), sponsor, users, or other stakeholders**

Legal Staff

- **Participates in reviews of key deliverables, as appropriate**
- **May review contract amendments and work orders**
- **Participates in any discussions of conflict of interest and/or confidentiality issues**
- **Advises on contract issues, as necessary**
  - **Including rejected deliverables, liquidated damages, Go/No-Go decisions and invoice issues**

Project Manager

- **Approves deliverables, staff replacements, invoices, amendments and work orders**
  - **Sometimes Sponsor is final approver**
- **Responsible for negotiating and resolving any contract issues**
- **Serves as first level of escalation for any contract issues**
- **On the prime contract, responsible for coordinating acceptance/non-acceptance and Go/No-Go decisions with Sponsor**

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Elements of Contract Tracking/Mgmt

- **Preparing for Contractor Arrival**
- **Orienting the Contractor to the Project**
- **Reviewing Deliverables and Services**
- **Reviewing Invoices for Payment**
- **Replacing and Tracking Contractor Staff**
- **Amending the Contract**
- **Creating Work Orders**
- **Closing the Contract**

Preparing for Contractor Arrival

- **Loading/assembling contract tracking data into contract tracking database/tool**
- **Loading/assembling contract financial data into financial tracking database/tool**
- **Preparing the work location, if contractor will be on-site**
  - **Prepare orientation materials, badges, etc.**

Orienting the Contractor

- **Discuss project processes and contract processes with contractor**
  - **Ensure roles and responsibilities are clear**
- **Discuss and have contractors sign conflict of interest and confidentiality certification**
- **Introduce contractor to key project staff**
- **Present an overview of the project's current status**
- **Discuss/review expectations for the contract and the work to be performed**

Reviewing Deliverables and Services

- **Log receipt of deliverable**
- **Distribute to reviewers**
  - Note appropriate contract requirements, review criteria, and deliverable expectations
- **Conduct review of deliverable**
- **Consolidate reviewer comments**
- **Determine if deliverable should be accepted**
- **Prepare documentation indicating deliverable acceptance/non-acceptance, and rationale**
- **Ensure deliverable, review and signoff documentation are filed in the project library**
- **Update contract database/tool with status and results of deliverable review**

Reviewing Deliverables and Services

- **Use of Deliverable Expectation Documents (DEDs) is recommended**
  - A "Pre-deliverable" from the contractor
  - Helps to ensure project and contractor have same understanding of the deliverable PRIOR to its being created
  - Describes
    - Format, length/size, level of detail
    - Proposed contents or outline
    - Required sections, diagrams or topics
    - Applicable government or industry standards
    - Evaluation and acceptance criteria for deliverable
  - Sometimes DEDs or specific deliverable acceptance criteria are included or referenced in the contract

Reviewing Deliverables and Services

- **DED Process**
  - **Deliverable Expectation Documents (DEDs) are submitted by contractor**
  - **Project staff review and comment on DED, or meets to discuss it**
  - **Project and contractor signoff on the DED**
  - **Contractor follows DED in creation of the deliverable**
  - **Project uses DED in review and evaluation of the deliverable**
  - **If deliverable meets expectations in DED, it should be ready for acceptance (theoretically)**

Reviewing Invoices for Payment

- **Log receipt of invoice**
- **Route to appropriate invoice reviewers**
  - **Verify invoice period, work completed, rates and travel authorizations (if appropriate)**
- **Determine if invoice should be authorized for payment**
  - **Have all deliverables been received?**
- **Prepare documentation indicating invoice approval/non-approval, and rationale**
- **Forward to HHSDC Accounting for payment**
- **Ensure invoice and supporting documentation are filed in the project library**
- **Update financial database/tool with status and results of invoice review**

Replacing Contractor Staff

- **Log receipt of letter from contractor requesting staff change**
- **Review resume and qualifications of proposed replacement staff**
- **Determine if staff is acceptable**
  - **Check work history**
- **Prepare documentation indicating replacement acceptance/non-acceptance, and rationale**
- **Ensure replacement's resume and supporting documentation are filed in the project library**
- **Update contract database/tool with information on replacement staff**
- **Orient the new staff on arrival and review Conflict of Interest and Confidentiality requirements**

Amending the Contract

- **Document rationale for contract amendment and prepare draft amendment**
- **Review changes with Legal and HHSDC Acquisition Services Bureau (ASB)**
- **Request amendment through HHSDC's CSS tool**
- **Upon approval, notify contractor**
- **Update contract database/tool, as appropriate**
- **Review approved changes with appropriate contractor and project staff**

Creating Work Orders

- **Review contract procedures for work orders**
- **Document activities, deliverables, milestones and checkpoints, expectations and acceptance criteria, schedule, cost and rationale for work order and prepare draft work order**
- **Review changes with Legal and HHSDC Acquisition Services Bureau (ASB), if appropriate**
- **Upon approval, notify contractor**
- **Review approved changes with appropriate contractor and project staff**

Closing the Contract

- **Review contract database/tool to ensure all required items have been fulfilled and there are no outstanding issues**
- **Audit library and ensure complete record of contract documentation and deliverables**
- **Conduct lessons learned session, if appropriate**
- **Perform contractor evaluation on DGS Std 4 form**
- **Follow project exit procedures**
- **After final invoice has been paid, determine if funds need to be disencumbered**
- **Close out contract files and archive files**

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Checklists and Review Criteria

- ■ **For Managers (Contract, Functional, Project)**
  - ● **General contract/Statement of Work criteria**
  - ● **Vendor Handbook**
  - ● **Conflict of Interest and Confidentiality Certification**
  - ● **Contractor Kickoff and Orientation Agenda**
  - ● **Sample DEDs**
  - ● **Staff replacement considerations**
  - ● **Contract amendment considerations**
  - ● **Work Order content checklist**
  - ● **Sample Lessons Learned format**
  - ● **Sample Exit Procedures for staff and contractors**

Checklists and Review Criteria

- **For Deliverable Review Team**
  - **General review criteria for deliverables**
  - **Sample DEDs**
- **For Fiscal Analysts**
  - **Invoice review criteria**

Other Tips

- **Be cautious about e-mail wording and conversations**
  - **You do not want to accidentally contradict or invalidate the contract**
- **Version control and records retention of deliverables and correspondence is very important**
- **Be sure to document why decisions were made, who made the decision, and reference the rationale and/or supporting documentation**

Other Tips

- **Clearly define an escalation process in the SOW or project processes**
- **Traceability of requirements is important, even if the contractor is only delivering documents/analyses**
- **"Acceptance" vs "approval"**

Closing

- **Also refer to BPweb**
  - **http://bpweb**
  - **http://www.bestpractices.cahwnet.gov**

  - **Under Life Cycle Processes, go to the Contract Management Supporting Process**

  - **Under Resources Library, go to BP Presentations. Click on "Other Presentations" to expand the list**
    - ▶ **Best Practices for Contract Management and Monitoring presentation**

Closing

- **Any questions? Suggestions?**

- **How to contact us**
  - **Laura Okawa, 263-4120 lokawa@sid.hhsdc.ca.gov**
  - **Tom Arnez, 263-4293, tarnez@sid.hhsdc.ca.gov**
  - **Kathy Saito, 263-4294, ksaito@sid.hhsdc.ca.gov**

	Initiation	Planning	Procurement		Development/Oversight	Closeout
SID Lifecycle	Initiation	Planning	Procurement		Development/Oversight	Closeout
Procurement Steps (PMBOK)	Procurement Planning	Solicitation Planning	Conduct Solicitation	Source Selection	Contract Administration	Contract Closeout
Primary Procurement Tasks	• Determine procurement objectives • Create procurement plan • Create initial SOW	• Create procurement documents • Document evaluation criteria • Document roles and responsibilities	• Contact prospective contractors • Receive responses • Evaluate responses	• Select contractor • Negotiate Final SOW • Create PO request • Obtain Fed approvals, if appropriate	• Orient contractor • Receive and review deliverables • Review invoices • Manage contract changes	• Ensure all contract requirements are complete • Perform contractor evaluation • Review Final invoice • Archive contract files

Deliverables

Contractor Submits Deliverable

↓

Receive and Log Deliverable in Tracking System

↓

Save Deliverable in Library

↓

Route Deliverable for Review and Approval

↓

Deliverable is approved?

→ No → Return Comments to Contractor for Resolution → (back to Contractor Submits Deliverable)

↓ Yes

Save Approved Version in Library

↓

Update Tracking System with Approval Info

↓

Send Letter of Deliverable Acceptance to Contractor

Invoices

Contractor Submits Invoice

↓

Receive and Log Invoice in Tracking System

↓

Save Invoice in Library

↓

Route Invoice for Review and Approval

↓

Were assoc deliverable(s) approved?

→ No → Return Comments to Contractor for Resolution → (back to Contractor Submits Invoice)

↓ Yes

Invoice is approved?

→ No → (to Return Comments to Contractor for Resolution)

↓ Yes

Save Approved Version in Library

↓

Update Tracking System with Approval Info

↓

Forward invoice to HHSDC for payment

Personnel

Contractor Submits Letter Requesting Change of Staff

↓

Save Letter in Library

↓

Route Letter to PM for Review and Approval

↓

Staff change is approved?

→ No → Return Comments to Contractor for Resolution → (back to Contractor Submits Letter Requesting Change of Staff)

↓ Yes

Save Letter in Library

↓

Update Tracking System with Personnel Info

↓

Update Staff List at next Contract Amendment

Amendments

State and Contractor determine need to amend contract

↓

State works with Contractor to modify SOW

↓

Save SOW in Library

↓

Route SOW to PM for Review and Approval

↓ Yes

Amended SOW is approved?

→ No → Return Comments to Contractor for Resolution → (back to State works with Contractor to modify SOW)

↓

Update Tracking System with Amendment Info

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Prepare CSS Request to request approval of amendment from HHSDC

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When amended SOW is approved, Update Tracking System with Approval Info, Changes to Deliverables, etc.

Work Orders

State and Contractor determine contents of Work Order

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Contractor Provides Estimates for Work Order

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Route WO to PM for Review and Approval

↓

WO is approved?

↓

Save WO in Library

↓

Update Tracking System with WO, Approval Info